

Overview

The ACORD Reference Architecture (RA) is an industry-standard reference architecture. It is an enterprise view of the insurance industry with an accounting of business functions (e.g. capabilities) and the related business concepts that support those functions.

The reference models that comprise the RA can be utilized individually, or collectively. The RA is not an “all or nothing” architecture. Its use depends on your business objectives and what you are trying to achieve.

The ACORD RA is comprised of the following:

- Business Glossary
- Capability Model
- Information Model
- Data Model
- Component Model



The **Business Glossary** contains common business terms with definitions (non-technical definitions) found within the insurance domain. It can be utilized to bridge communication gaps and provides context across all business areas. It contains more than 4,400 business terms.

The **Capability Model** defines what the insurance industry does and serves as a baseline of a company’s capabilities. Its scope begins with insurance companies, but is not limited to insurers. The capabilities exist in the industry, regardless of whether any one company performs all of them. The capabilities are not limited to insurance companies - the model scope is intended to be the capabilities of the insurance industry, not just insurance companies - it begins with insurance companies.

The **Information Model** organizes, explains, and relates insurance concepts.

It is a single model and provides a “big picture” view of the industry. This model is about concepts, not literal implementations. It can express ideas independently of how they are used and is not intended to describe how to use the concepts. It is designed for extensibility to accommodate industry requirements. Its view is context-neutral or context-agnostic (e.g. “data at rest”).

Information Model Content:

- 1000+ classes
- 2700+ properties
- 490+ associations
- 510+ Code Lists
- 6650+ Codes

The **Data Model** is generated from the Information Model to provide content alignment and traceability, and also ensures the two models are always synchronized. The Data Model makes the abstract more tangible by turning concepts from the Information Model into a format that can be used for persistence (e.g. storage). Uses of the data model include: helping create a physical data model for databases, providing a baseline for data warehouses, validating your data model.

The **Component Model** is the marriage of capabilities and information. It defines a design framework that allows for the independent development of components that interoperate to form applications. It uses technology neutral interfaces allowing for implementation across development platforms. With this design a single component is reusable across multiple applications and interchangeable with other components.

Interest: Download Statistics

ACORD tracks downloads of its publications, be it ACORD Standards or various models comprising the ACORD RA. While the names of the parties accessing the files are confidential, the resulting download statistics are presented here in support of RA interest and trends.

Business Glossary – Download Counts (different companies downloading releases)

	2009	2010	2011	2012	2013	2014	2015	Total
v1.0	19	127	66	16	10	2		240
v2.3				55	88	19	2	164
v2.5						98	50	148
v2.6							75	75

Capability Model – Download Counts (different companies downloading releases)

	2009	2010	2011	2012	2013	2014	2015	Total
v1.0	9	51		1	1	1		63
v2.0		35	40	3		1	1	80
v2.1			67	38	34	27	23	189

Data Model – Download Counts (different companies downloading releases)

	2009	2010	2011	2012	2013	2014	2015	Total
v1.1	9	33						42
v1.2		52	4	2	2	2	1	63
v1.3		43	71	43	16			173
v2.3				1	101	12	1	115
v2.4						62	1	63
v2.5						45	56	101

Information Model – Download Counts (different companies downloading releases)

	2009	2010	2011	2012	2013	2014	2015	Total
v1.0	12	16						28
v1.1		20						20
v1.2		33	14	6	2	1		56
v2.0		73	64	3	2			142
v2.1			31	41	3		1	76
v2.2				49	5		1	55
v2.3				42	19		1	62
v2.4				10	69	19		98
v2.5						52	26	78
v2.6							44	44

Component Model – Download Counts (different companies downloading releases)

		2010	2011	2012	2013	2014	2015	Total
v2.3 Draft		1		3	58	26	18	106

Standards Mappings – Download Counts (different companies downloading releases)

						2014	2015	Total
2014-10-20 Draft						28	55	83

Product Diagramming – Download Counts (different companies downloading releases)

							2015	Total
v2.0 Draft							43	43

Interest: Utilization/Implementation

ACORD regularly receives inquiries specific to the ACORD RA and these are tracked; however, most of the interaction is confidential in nature and therefore, names of companies cannot be shared unless the company authorizes ACORD to do so, or the company has communicated its use of ACORD publicly.

The text below provides a summarized perspective on interactions ACORD has experienced with various companies interested in and/or utilizing the ACORD RA.

Business Glossary

- Insurer utilizes the Business Glossary and finds it is great for internal use during meetings when there are different opinions on what something is – they refer to the ACORD Business Glossary and the norm is that once everyone sees how it depicts the concept, whatever differences of opinions may have existed previously, the glossary serves to resolve them.
- Insurer utilizes it for base industry definitions in its enterprise metadata repository so that business analysts can use them as baseline definitions and then revise/enhance as needed when developing system specific metadata.

Capability Model

- Insurer needed a business capability model framework and began development by starting with the ACORD Capability Model, then began customizing it to their business needs and culture. The biggest difference between the original ACORD model and their resulting model involves contract and policy language – their customers (e.g. fellow staff) view a policy differently than a contract. They've also identified 13 level-1 capabilities (the ACORD model has 10 level-1 capabilities and they did not make clear what they added – with one exception noted below). Because of the company's structure, one of the hardest things to address is that business staff units think in terms of "hierarchies" and who owns a given capability, where systems staff think "systems" and which systems support which business operations. Producer Compensation was split out as its own level-1 capability because they have staff (perhaps a department) that wanted it as its own level-1. The model already includes "Producer Compensation" within the level-1 capability "Channel Management". They've been creating definitions for their version of the model, including extensions.
- Insurer is in the process of re-engineering its business and IT Systems. The contact's role is Enterprise Architect and he's helping to map the "As-Is" and "To-Be" business processes and capabilities. In parallel to this they are selecting a vendor to provide their new core systems; Marketing, CRM, Sales & Service, Claims handling, Complaints, etc.
- Insurer became interested in capability models in support of service model development and an understanding of business functions. They looked around and found various models developed separately within given business units internally; they also identified the ACORD Capability Model and non-ACORD equivalents. One of their challenges involved terminology consistency and utilizing something like ACORD served as a basis for structure and framework to manage language precision. The effort has proven very helpful in portfolio management and as a framework for future business investment, as well as identifying where the business is actually spending its money. It also provides a structural context for their use of ACORD XML messages.

- Insurer has a project that began that with a global IT governance scope (includes operations spread across various locales and systems). Most of these business operations are “local” and distinct – have their own products, systems, etc. and one locale includes banking – all involve insurance and financial services. They needed to improve their approach to IT with a global view on governance, project management, procurement, and information security. The project vision and scope includes:
 - Standardization and re-use across companies (too much “reinventing the wheel”)
 - Standardizing architecture (concluded they needed a reference model)
 - ACORD was already in use in some parts of the company -> led to a landing on ACORD as the basis for business capabilities

Information Model

Most organizations are showing an interest in the following concepts: party, contact, role, agreement, and also product and claim.

- Non-insurer utilizing Information Model use as guide for data management, potential consideration for mapping their data to the Information Model.
- Insurer has new IT strategy – centralizing systems, harmonizing processes, etc. Key Interest: Information Model / Data Model (for use with data warehouse).
- Insurer pursuing data governance, data quality, related principles for the business architecture team.
- Different interactions / same insurer:
 - Insurer developing the business case for utilizing an enterprise model. Once the business case is accepted, they will need to choose a model. They must choose something relevant to their business, do so with awareness on path of least resistance, assess various industry models including ACORD Framework, then make determination.
 - Insurer explained they are building the foundation for an enterprise information model; one of its utilities will be to act as a “guard rail” for alignment across lines of business. In particular, they are focused on customer data (persons and organizations) including agent/agency/location data. They have been utilizing the ACORD Data Model as a guide. They explained they’ve been reviewing the ACORD models as part of their due diligence, and the assessment is largely concluded – they are now on the cusp of materializing (e.g. implementing) work on party, party roles, customer and location.
- Insurer inquiry motivated by challenges involving policy admin system, acquired via acquisition.
- Insurer implemented ACORD’s XML for workers compensation and have work related to this involving the development of an ODS. They have a new claims application/system that needed access to policy data to determine coverage and they utilized the ACORD Data Model to serve-up data for varying uses (the Information Model served as the design basis for the ODS). They designed in a manner that is as generic as possible for re-use beyond the initial claims utility. The ODS is on an integration path for all policy data (all lines of business) in support of inquiries and analytics.
- TPA/outsourcer/administrator role service provider. They develop software for small to medium sized insurance companies. These are enterprise solutions covering policy administration, claims and the like. They have a system that was designed years ago and assumed the industry largely utilized one set of forms (contract forms) and they’re finding there are actually multiple

companies (ISO, AAIS, etc.) which makes the management of forms and products more challenging.

- Different interactions / different parts of one insurer
 - Insurer pursuing a proof-of-concept project and trying to align with ACORD. The project involves providing data services for re-use across projects, one aspect of which has a focus on producer and customer data. Another aspect involves a likely re-build of a business intelligence system in support of single trusted source data source/share.
 - Insurer developed an internal canonical XML model circa 2005/2006 as a messaging interface for internal and external use. For external, they have trading partners with whom they perform data exchange and they prefer to receive ACORD XML. Whether they receive ACORD XML or another format, they eventually transform it to their internal XML (e.g. their internal XML is aligned to their canonical model). They've expanded their ACORD XML to account for various transactional data. Use of the Information Model is largely as a reference model/source as an internal utility for additions/revisions to internal systems. Their internal XML is their "single view" format for business data and their XML has its own personality as its origins pre-date the ACORD Framework, but later revisions have been influenced by the Information Model. There is no direct mapping (or traceability/documentation) between their XML and the Information Model. They view the Information Model as a "picture on the wall" that serves as a reference and for design inspiration. New releases of the Information Model are therefore largely a non-event because there are no mappings to adjust/revise. They would appreciate an Information Model flavor of XML/XSD as that would be closer to their XML for alignment/mapping support.
- Insurer seeks a common platform to enable electronic communication with business partners, brokers, and the like. Their ESB is due for replacement. They are also seeking a data governance view of their business data. This includes an interest in a data model. They have a proof-of-concept in the queue that involves quote submission and acceptance for multi-lines. They also are aware that an ACORD implementation may require more resources up front but have greater benefits in the long run.
- Insurer has experienced growth via mergers and acquisitions as well custom applications and their data/policy/claim content is individualized in various disparate software applications/systems. There is a need for consistent decision-making capabilities for results, reporting across the organization related to business intelligence internal to company. They are seeking an endorsement of their approach to address this challenge per ACORD as a best practice on the premise others in the industry are also pursuing similar approaches. As part of their assessment to address their data challenges, their research identified ACORD as a candidate for the basis of a data warehouse and similar projects. They see ACORD as the basis for a standard taxonomy with a focus on claim and customer data via the ACORD Framework (e.g. Information Model and Data Model).

Component Model

- Non-insurer seeks self-assessment: Needs to know if the ACORD Framework would provide information not yet known (capabilities and information).